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October 7, 2007

E-FILED AND HAND DELIVERED

The Honorable Joseph J. Farnan, Jr. United States District Court District of Delaware 844 N. King Street Room 4124, Lockbox 27 Wilmington, DE 19801

Re:

Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corporation v. Pepper Hamilton LLP, et al., No. 04-1551 (JJF)

Dear Judge Farnan:

I write on behalf of Plaintiffs Charles A. Stanziale (the "Trustee") and with the consent of the Family Defendants to inform the Court that the Trustee and the Family Defendants have agreed to a settlement in principle and are proceeding to document the settlement. Therefore, the Trustee will not be filing a proffer of testimony anticipated from the Pepper Hamilton witnesses and the Family Defendants will not be responding to it. Counsel for the parties would like the opportunity to further report to the Court on Wednesday morning, or earlier, either in person or by telephone, as the Court desires.

Charlene D. Davis

espectfully submitted,

Counsel to Charles A. Stanziale, Chapter 7 Trustee

All Counsel on Attached Service List

CC: 672509-1

CERTIFICATE OF SERVICE

I, Charlene D. Davis, hereby certify that on this 7th day of October, 2007, I caused a copy of the Letter Regarding Settlement Agreement to be served upon the parties listed below in the manners indicated.

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